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August 5, 1998

Janice Fort
Surface Transportation Board
Recordation Office
1925 K Street
Suite 70
Washington D.C. 20423

RECORDATION NO. 21548

FILED

AUG 6 '98

10-44AM

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Janice,

Enclosed is an original plus 1 copy, both notarized. This is a Memorandum of Railcar Lease between The Cit Group/Equipment Financing Inc. and BC Rail Partnership dated 7/15/98.

Enclosed is an original plus 2 copies, both notarized. This is a Memorandum of Railcar Lease between The Cit Group/Equipment Financing Inc. and Houston Lighting & Power Company dated 7/2/98.

Enclosed is an original plus 2 copies, both notarized. This is a Memorandum of Railcar Lease between The Cit Group/Equipment Financing Inc. and Northern States Power Company dated 7/15/98.

Also, enclosed is a check made payable to: Surface Transportation Board.

After recording the document, please return the acknowledgment copy to my attention. I have enclosed a FED X air bill to return the results to me.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler
Administrator

enclosure

800-634-9738

AUG 6 '98

10-44AM

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 2 day of July, 1998, is made by Houston Lighting & Power Company, a division of Houston Industries Incorporated, a Texas corporation, with an address at P.O. 1700, Houston, TX 77251 (the "Lessee"), and The CIT Group/Equipment Financing, Inc., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor" and, together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of the date hereof covering the equipment listed on Schedule 01 hereto (the "Equipment");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Document to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.,

By: Janice M. Wickham
Name: JANICE M. WICKHAM
Title: Assistant Vice President

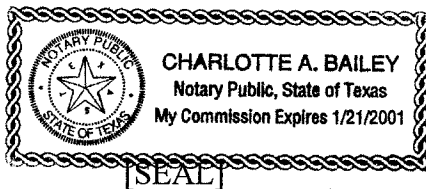
HOUSTON LIGHTING & POWER COMPANY,
a division of Houston Industries Incorporated

By: Allen J. Harper
Name: Allen J. Harper
Title: Director, Coal & Light Fuel

STATE OF)
) SS:
COUNTY OF)

On this 13th day of July, 1998 before me personally appears Allan J. Harper, to me personally known, who by me duly sworn, says that he/she is the Director, Coal & Lignite Fuels of HOUSTON POWER & LIGHTING COMPANY a division of Houston Industries Incorporated (the "Company"), that the foregoing instrument was signed on behalf of the said Company, and that it is acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Charlotte A. Bailey
Notary Public

My Commission expires:

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 29th day of July, 1998 before me personally appears JANICE H. WICKHAM, to me personally known, who by me duly sworn, says that he/she is the ASST VICE-PRESIDENT of THE CIT GROUP/EQUIPMENT FINANCING, INC. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara Garner
Notary Public

[SEAL]

My Commission expires

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

Schedule No. 01

<u>Quantity</u>	<u>Equipment Description</u>	<u>Reporting Marks and Numbers</u>
120	4180 cf. Aluminum Auto Flood Coal Hopper Cars	See Schedule A attached

Schedule A

1	PRBX 2001	41	PRBX 2206	81	PRBX 2404
2	PRBX 2004	42	PRBX 2208	82	PRBX 2405
3	PRBX 2005	43	PRBX 2210	83	PRBX 2407
4	PRBX 2011	44	PRBX 2215	84	PRBX 2408
5	PRBX 2033	45	PRBX 2228	85	PRBX 2409
6	PRBX 2038	46	PRBX 2230	86	PRBX 2410
7	PRBX 2039	47	PRBX 2235	87	PRBX 2413
8	PRBX 2040	48	PRBX 2240	88	PRBX 2414
9	PRBX 2052	49	PRBX 2244	89	PRBX 2416
10	PRBX 2057	50	PRBX 2277	90	PRBX 2419
11	PRBX 2058	51	PRBX 2283	91	PRBX 2420
12	PRBX 2064	52	PRBX 2296	92	PRBX 2421
13	PRBX 2066	53	PRBX 2312	93	PRBX 2422
14	PRBX 2067	54	PRBX 2328	94	PRBX 2423
15	PRBX 2070	55	PRBX 2344	95	PRBX 2425
16	PRBX 2073	56	PRBX 2352	96	PRBX 2426
17	PRBX 2077	57	PRBX 2354	97	PRBX 2427
18	PRBX 2080	58	PRBX 2359	98	PRBX 2428
19	PRBX 2089	59	PRBX 2360	99	PRBX 2429
20	PRBX 2093	60	PRBX 2364	100	PRBX 2430
21	PRBX 2096	61	PRBX 2369	101	PRBX 2431
22	PRBX 2101	62	PRBX 2370	102	PRBX 2432
23	PRBX 2103	63	PRBX 2371	103	PRBX 2433
24	PRBX 2113	64	PRBX 2373	104	PRBX 2439
25	PRBX 2114	65	PRBX 2374	105	PRBX 2440
26	PRBX 2117	66	PRBX 2379	106	PRBX 2441
27	PRBX 2120	67	PRBX 2380	107	PRBX 2446
28	PRBX 2123	68	PRBX 2383	108	PRBX 2448
29	PRBX 2125	69	PRBX 2384	109	PRBX 2449
30	PRBX 2142	70	PRBX 2387	110	PRBX 2453
31	PRBX 2148	71	PRBX 2388	111	PRBX 2454
32	PRBX 2164	72	PRBX 2391	112	PRBX 2457
33	PRBX 2166	73	PRBX 2392	113	PRBX 2462
34	PRBX 2168	74	PRBX 2395	114	PRBX 2466
35	PRBX 2172	75	PRBX 2396	115	PRBX 2468
36	PRBX 2174	76	PRBX 2398	116	PRBX 2470
37	PRBX 2178	77	PRBX 2399	117	PRBX 2472
38	PRBX 2183	78	PRBX 2400	118	PRBX 2473
39	PRBX 2187	79	PRBX 2402	119	PRBX 2474
40	PRBX 2193	80	PRBX 2403	120	PRBX 2475